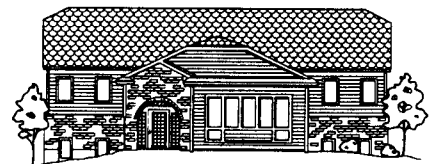




72-1110

**TOWNSHIP OF ROSCOMMON
ROSCOMMON COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2004**



AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Roscommon Township	County Roscommon
Audit Date 3/31/04	Opinion Date 5/5/04	Date Accountant Report Submitted to State: 7/26/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

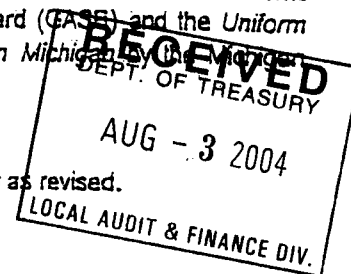
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Keskine, Cook, Miller, Smith & Alexander, LLP			
Street Address 100 West First Street	City Gaylord	State MI	ZIP 49735
Accountant Signature			



TOWNSHIP OFFICIALS

SUPERVISOR

DIANE F. RANDALL

CLERK

BARBARA STEVENSON

DEPUTY CLERK

ANDEE HEISTAND

TREASURER

MARY ANN HOSE

DEPUTY TREASURER

KATHY LEWIS

TRUSTEES

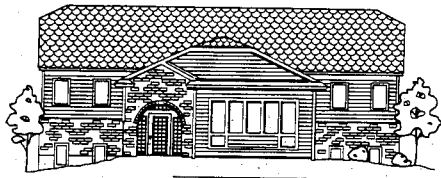
ARVID B. PERRIN

RICHARD PASTULA

TOWNSHIP OF ROSCOMMON

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Keskin, Cook, Miller, Smith & Alexander LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

May 5, 2004

To the Township Board
Roscommon Township
Roscommon County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Roscommon, as of and for the year ended March 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

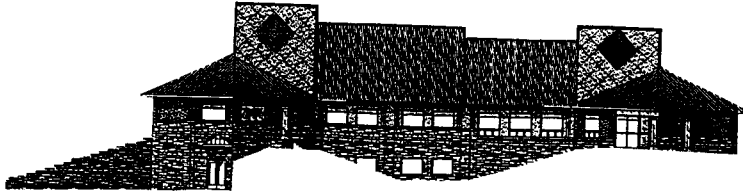
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Roscommon as of March 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of March 31, 2004.

The management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 35-44 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

K.K. Cook Miller Smith: alex Q up
KESKINE, COOK, MILLER, SMITH & ALEXANDER, LLP



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**TOWNSHIP OF ROSCOMMON
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED MARCH 31, 2004**

This section of Roscommon Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2004. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Our financial status improved over the last year. Assets at March 31, 2004 totaled approximately \$3,700,000 for governmental activities and \$6,300,000 for business-type activities. Of these totals, approximately \$2,100,000 and 3,200,000, respectively, represent capital assets net of depreciation.

Revenues derived from governmental activities were approximately \$1,800,000 (\$500,000 from program revenues and \$1,300,000 from general revenues). Overall expenses for the Township's governmental activities approximated \$1,400,000.

Revenues derived from business-type activities totaled approximately \$320,000 (\$280,000 from user charges and \$40,000 from general revenues). Expenditures were approximately \$260,000.

The Township incurred no new debt instruments during the year and retired one note payable fully. The Township purchased approximately \$122,000 in capital assets. Long-term debt and capital asset activity is addressed further in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities and business type activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities. This is one method to measure our financial health or position.

Over time, increases or decreases in the Township's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the Township, you may also have to consider additional factors such as tax base changes, facility conditions, and personnel changes.

Most of the activities of the Township are reported as governmental activities. These would include the operations recorded in the General, Ambulance, Houghton Lake Ambulance Service, Fire Operating, Fire Equipment, Trash and Roads Funds. Sewer utility activities are treated as business-type activities where the revenues of the activity are designed to pay for the operations of the activity.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds: Most of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

Enterprise Funds: These funds represent activities in the government which are basically treated like private sector companies. These funds are designed to have revenues earned adequate to pay for the operations of the activity. These funds are presented on a full accrual method and will show no difference between the Township's government-wide statements and fund statements presentation.

FUND FINANCIAL STATEMENTS (CONTINUED)

Fiduciary Funds: The Township is a trustee or fiduciary for assets that belong to others. The Township maintains these funds and is responsible for insuring that the assets of these activities are collected and disbursed to the respective entities to which the funds belong. These activities do not appear in the Township's government-wide financial statements since the assets do not belong to the Township. The Township maintains a Tax Collection Fund in this category.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's net assets – governmental activities increased approximately \$320,000 during the year to total \$3,354,362. Net assets for business-type activities increased \$376,000 to total \$6,318,975.

Governmental Activities: The increase in net assets for governmental activities is due largely to an increase in property tax revenues and the purchase of capital assets.

Business Type Activities: The increase in net assets for business-type activities can be attributed to the elimination of depreciation of contributed capital amounts, as required by the new governmental standards.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund – This fund is used to record all activities of the Township not required to be recorded in a separate fund. The major source of revenue for the general fund is from the Township tax base, and revenue sharing from the State of Michigan. The major expenses for this fiscal year include the general operating activities of the Township.

Ambulance Fund – This fund is used to account for the property tax collections for ambulance services and the payment to the Houghton Lake Ambulance Service.

Houghton Lake Ambulance Service Fund – This fund is used to account for all activities of the Houghton Lake Ambulance Service. Revenues are derived from charges for services (charges to the Townships and to ambulance patients).

Fire Operating Fund – This fund is used to account for the financial activities of the fire department. Revenues are derived primarily from property taxes collected for fire protection services.

Fire Equipment – This fund is used to account for the purchase of fire equipment. Funding comes from an addition of fire equipment property tax levy.

Trash Collection Fund – This fund is used to account for all financial transactions related to the Trash Collection service provided by the Township. Revenues are derived from property tax assessments.

Roads Fund – This fund is used to account for financial transactions related to the repair and maintenance of the Township's roads. Revenues consist mainly of property taxes.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets:

Additions to Township assets for this year include a new cot for the Houghton Lake Ambulance Service (\$2,755), a new ambulance (\$108,955), and computer equipment (\$13,208).

Long Term Debt:

- ◆ Building Note – the Township fully retired the note financing the new Township Hall, principal payment of \$10,491.
- ◆ Fire Truck Note – the Township retired 41,024 in principal payments.
- ◆ Ambulance Note – the Township retired \$10,522 in principal payments.
- ◆ Road Note – the Township retired \$23,990 in principal payments. This note is due to the Sewer Fund from the General Fund and was refinanced after year-end (refer to the following paragraph)
- ◆ Total interest expense on the above notes amounted to \$14,759 during the year ended March 31, 2004.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

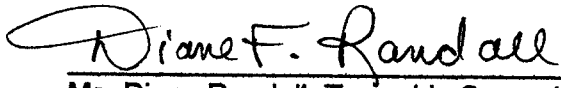
The Township refinanced its long-term note between the sewer and general funds to lower the interest rate from 5.08% to 3.18%, effective in the new fiscal year.

The Houghton Lake Ambulance Service has re-organized as an Authority, effective April 1, 2004. The Authority will be named Houghton Lake Ambulance Authority (d.b.a. Houghton Lake EMS). The Authority will have the power to levy its own taxes and will operate under its own board, consisting of five members. Roscommon and Lake Township will each appoint two board members. The finance offices of the Authority have been moved from the Ambulance Building to the Roscommon Township Hall.

The Township purchased an ambulance in the current fiscal year and then deeded it over to the Houghton Lake Ambulance Service in May 2004. The cost of the Ambulance was \$108,955.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors, and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report, please contact Ms. Diane Randall, Supervisor, at 8555 Knapp Road, P.O. Box 610, Houghton Lake, MI 48629, or by calling (989)422-4093 during the hours of 8:30 AM to 4:00 PM.


Ms. Diane Randall, Township Supervisor

**TOWNSHIP OF ROSCOMMON
STATEMENT OF NET ASSETS
MARCH 31, 2004**

	GOVERN- MENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Equivalents	\$ 1,355,342	\$ 976,779	\$ 2,332,121
Investments	-	1,714,265	1,714,265
Receivables:			
Accounts, Net of Allowance	45,000	117,451	162,451
Special Assessments Receivable	-	188,622	188,622
Delinquent Taxes Due from County	128,277	-	128,277
Due from Tax Collection Fund	7,182	22,847	30,029
Note Receivable from General Fund	-	106,621	106,621
Interest Receivable	-	6,200	6,200
Inventory	2,500	-	2,500
Total Current Assets	1,538,301	3,132,785	4,671,086
Non-Current Assets:			
Capital Assets	2,578,158	4,505,919	7,084,077
Construction in Progress	-	126,664	126,664
Accumulated Depreciation	(448,305)	(1,446,393)	(1,894,698)
Total Non-Current Assets	2,129,853	3,186,190	5,316,043
Total Assets	3,668,154	6,318,975	9,987,129
LIABILITIES			
Current Liabilities:			
Accounts Payable	11,505	-	11,505
Accrued Interest	2,548	-	2,548
Current Portion of Long-Term Debt	82,833	-	82,833
Total Current Liabilities	96,886	-	96,886
Long-Term Liabilities:			
Notes Payable	137,984	-	137,984
Note Payable to Sewer Fund	78,922	-	78,922
Total Long-Term Liabilities	216,906	-	216,906
Total Liabilities	313,792	-	313,792
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,936,704	3,186,190	5,122,894
Net Assets, Restricted for:			
Ambulance Services	294,178	-	294,178
Fire Protection	400,838	-	400,838
Fire Equipment	37,494	-	37,494
Trash Collection	239,530	-	239,530
Road Repair and Maintenance	96,237	-	96,237
Sewer Utilities	-	3,132,785	3,132,785
Unrestricted	349,381	-	349,381
Total Net Assets	\$ 3,354,362	\$ 6,318,975	\$ 9,673,337

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004**

	P R O G R A M R E V E N U E S				NET (EXPENSE)/REVENUES AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRI- BUTIONS	CAPITAL GRANTS & CONTRI- BUTIONS	GOVERN- MENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES							
Township Administration	\$ (294,053)	\$ 15,929	\$ -	\$ -	\$ (278,124)	\$ -	\$ (278,124)
Township Hall and Grounds	(33,934)	8,277	-	-	(25,657)	-	(25,657)
Airport	(7,548)	2,610	-	-	(4,938)	-	(4,938)
Ambulance Services	(550,369)	276,897	114,595	-	(158,877)	-	(158,877)
Cemetery	(16,975)	5,130	-	-	(11,845)	-	(11,845)
Fire Protection	(175,120)	-	-	-	(175,120)	-	(175,120)
Building Agency	(58,568)	58,568	-	-	-	-	-
Parks and Recreation	(16,798)	-	-	-	(16,798)	-	(16,798)
Law Enforcement	(15,148)	-	-	-	(15,148)	-	(15,148)
Roads Repair and Maintenance	(56,254)	-	-	-	(56,254)	-	(56,254)
Trash Pickup Services	(182,237)	-	-	-	(182,237)	-	(182,237)
Zoning	(24,319)	7,440	-	-	(16,879)	-	(16,879)
Interest on Long-Term Debt	(14,759)	-	-	-	(14,759)	-	(14,759)
Total Governmental Activities	(1,446,082)	374,851	114,595	-	(956,636)	-	(956,636)
BUSINESS-TYPE ACTIVITIES							
Sewer Utilities	(262,688)	280,146	-	-	-	17,458	17,458
Total Government	(1,708,770)	654,997	114,595	-	(956,636)	17,458	(939,178)
GENERAL REVENUES							
Property Taxes:							
Levied for Operating Purposes					158,161	-	158,161
Levied for Ambulance Services					227,417	-	227,417
Levied for Fire Protection					218,193	-	218,193
Levied for Trash Collection					184,459	-	184,459
Levied for Roads					58,707	-	58,707
Property Tax Administration Fee					35,702	-	35,702
State Shared Revenues (not restricted to specific purpose)					375,599	-	375,599
Interest Income					9,490	38,110	47,600
Other					9,205	-	9,205
Total General Revenues					1,276,933	38,110	1,315,043
Change in Net Assets					320,297	55,568	375,865
Net Assets - April 1					3,034,065	6,263,407	9,297,472
Net Assets - March 31					\$ 3,354,362	\$ 6,318,975	\$ 9,673,337

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2004**

M A J O R G O V E R N M E N T A L F U N D S									
HOUGHTON									
GENERAL		AMBU-LANCE	LAKE AMBU-LANCE	FIRE OPER-ATING	FIRE EQUIP-MENT	TRASH	ROADS	NON MAJOR FUND TOTAL	
\$ 417,872		\$ 196,722	\$ 37,700	\$ 341,002	\$ 66,388	\$ 207,752	\$ 87,906	\$ 1,355,342	
24,970		32,256	-	22,836	8,106	31,778	8,331	128,277	
7,182		-	45,000	-	-	-	-	45,000	
-		-	-	37,000	-	-	-	7,182	
-		-	2,500	-	-	-	-	37,000	
-		-	-	-	-	-	-	2,500	
450,024		228,978	85,200	400,838	74,494	239,530	96,237	1,575,301	
LIABILITIES AND FUND EQUITY									
Liabilities:									
11,505		-	-	-	-	-	-	11,505	
-		-	-	-	37,000	-	-	37,000	
11,505		-	-	-	37,000	-	-	48,505	
Fund Equity:									
Fund Balances -									
415,399		226,478	85,200	400,838	37,494	239,530	96,237	1,501,176	
23,120		-	-	-	-	-	-	23,120	
-		2,500	-	-	-	-	-	2,500	
438,519		228,978	85,200	400,838	37,494	239,530	96,237	1,526,796	
\$ 450,024		\$ 228,978	\$ 85,200	\$ 400,838	\$ 74,494	\$ 239,530	\$ 96,237	\$ 1,575,301	

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2004**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES (PER BALANCE SHEET - PAGE 10)	\$ 1,526,796
Amounts reported for governmental activities in the Statement of Net Assets (page 8) are different because:	
Capital assets used in governmental activities are not financial resources and therefore not recorded in the funds	2,129,853
Long-term liabilities, including notes and interest payable are not due and payable in the current period and therefore are not reported in the funds	(302,287)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES (PER STATEMENT OF NET ASSETS, PAGE 8)	\$ 3,354,362

See accompanying notes to financial statements.

TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2004

M A J O R G O V E R N M E N T A L F U N D S								
		HOUGHTON LAKE AMBU-LANCE			FIRE OPER-ATING	FIRE EQUIP-MENT	TRASH	NON MAJOR FUND
GENERAL		AMBU-LANCE						ROADS
TOTAL								
Revenues								
Taxes & Assessments	\$ 158,161	\$ 227,417	\$ -	\$ 161,036	\$ 57,157	\$ 184,459	\$ 58,707	\$ 846,937
State Shared Revenue	375,599	-	-	-	-	-	-	375,599
Intergovernmental Grants	-	-	-	-	-	-	-	107,242
Charges for Services	51,631	-	107,242	-	-	-	-	328,528
Licenses and Permits	69,848	-	276,897	-	-	-	-	69,848
Interest Income	4,590	701	-	2,179	438	1,149	433	9,490
Other Revenue	15,400	-	7,466	3,253	-	2,616	-	28,735
Total Revenues	675,229	228,118	391,605	166,468	57,595	188,224	59,140	1,766,379
Expenditures								
General Government	317,692	-	-	-	-	-	-	317,692
Public Safety	113,358	1,431	536,070	118,666	-	-	-	769,525
Trash Collection	-	-	-	-	-	179,572	-	179,572
Airport	9,882	-	-	-	-	-	-	9,882
Recreation	14,170	-	-	-	-	-	-	14,170
Debt Service	41,581	-	13,011	-	41,025	-	-	95,617
Capital Outlay	-	105,955	-	17,152	10,074	-	-	133,181
Roads	26,997	-	-	-	-	-	29,257	56,254
Total Expenditures	523,680	107,386	549,081	135,818	51,099	179,572	29,257	1,575,893
Excess (Deficiency) of Revenues over Expenditures	151,549	120,732	(157,476)	30,650	6,496	8,652	29,883	190,486
Other Financing Sources (Uses):								
Operating Transfers In/(Out)	(20,000)	(105,370)	125,370	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	131,549	15,362	(32,106)	30,650	6,496	8,652	29,883	190,486
Fund Balance - April 1	306,970	213,616	117,306	370,188	30,998	230,878	66,354	1,336,310
Fund Balance - March 31	\$ 438,519	\$ 228,978	\$ 85,200	\$ 400,838	\$ 37,494	\$ 239,530	\$ 96,237	\$ 1,526,796

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL ACTIVITIES (PAGE 12)	\$	190,486
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Amounts reported for governmental activities in the Statement of
Activities (page 9) are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives		121,918
Depreciation expense, recorded in the statement of activities but not the fund financial statements		(81,598)
Governmental funds do not record long-term debt; therefore, debt service payments are recorded as an expenditure. However, in the government-wide statements, long-term debt is recorded and debt service payments are applied against the outstanding balances		89,491

CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES (PER STATEMENT OF ACTIVITIES, PAGE 9)	\$	320,297
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See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
STATEMENT OF FUND NET ASSETS
SEWER FUND
MARCH 31, 2004**

ASSETS	
Current Assets:	
Cash and Equivalents	\$ 976,779
Investments	1,714,265
Receivables:	
Accounts	123,651
Special Assessments Receivable	188,622
Due from Tax Collection Fund	22,847
Due from General Fund	106,621
Total Current Assets	<u>3,132,785</u>
Non-Current Assets:	
Capital Assets	4,505,919
Construction in Progress	126,664
Accumulated Depreciation	(1,446,393)
Total Non-Current Assets	<u>3,186,190</u>
Total Assets	<u>6,318,975</u>
NET ASSETS	
Invested in Capital Assets	3,186,190
Restricted for Sewer Utilities	3,132,785
Total Net Assets	<u>\$ 6,318,975</u>

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
SEWER FUND
YEAR ENDED MARCH 31, 2004**

Operating Revenue	
Usage Fees	\$ 277,446
Permit Fees	2,700
Total Operating Revenue	<u>280,146</u>
Operating Expense	
Houghton Lake Sewer Authority	198,588
Professional Services	1,850
Miscellaneous Expenses	1,278
Depreciation Expense	60,972
Total Operating Expense	<u>262,688</u>
Net Operating Income	17,458
Non-Operating Revenue (Expense):	
Interest Income	<u>38,110</u>
Net Income	55,568
Fund Net Assets - April 1	<u>6,263,407</u>
Fund Net Assets - March 31	<u><u>\$ 6,318,975</u></u>

See accompanying notes to financial statements

**TOWNSHIP OF ROSCOMMON
STATEMENT OF CASH FLOWS
SEWER FUND
YEAR ENDED MARCH 31, 2004**

Cash flows from operating activities:

Cash received from customers	\$ 317,717
Cash payments to employees and professional contractors for services	(208,229)
Net cash provided (used) by operating activities	109,488

Cash flows from non-capital financing activities:

Receipts under interfund loan agreements	23,990
--	--------

Cash flows from capital and related financing activities:

Special assessment payments	10,001
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Cash flows from investing activities:

(Purchase)/redemption of investments	(277,908)
Investment income	36,539
Net cash provided (used) by investing activities	(241,369)

Net increase (decrease) in cash and cash equivalents	(97,890)
--	----------

Cash and cash equivalents at April 1, 2003	1,074,669
---	------------------

Cash and cash equivalents at March 31, 2004	\$ 976,779
--	-------------------

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income	\$ 17,458
Adjustment to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	60,972
Decrease in accounts receivable	31,058
Net cash provided by operating activities	\$ 109,488

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2004**

ASSETS

Cash and Equivalents	\$	30,029
Delinquent Taxes Receivable		24,669
Total Assets		<u>54,698</u>

LIABILITIES

Due to Other Funds		30,029
Due to Other Governments		24,669
Total Liabilities		<u>54,698</u>

NET ASSETS

Net Assets Held in Trust for Other Governments	\$	<u><u>-</u></u>
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See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
YEAR ENDED MARCH 31, 2004**

ADDITIONS

Taxes, Interest, and Penalties Collected for Roscommon Township	\$ 795,214
Taxes, Interest, and Penalties Collected for Other Governmental Units	2,770,393
Total Additions	<u>3,565,607</u>

DEDUCTIONS

Taxes, Interest, and Penalties Remitted to Roscommon Township	795,214
Taxes, Interest, and Penalties Remitted to Other Governmental Units	2,770,393
Total Deductions	<u>3,565,607</u>

Change in Net Assets	<u>-</u>
Net Assets Held in Trust for Other Governments, April 1	-
Net Assets Held in Trust for Other Governments, March 31	<u>\$ -</u>

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE A: ENTITY

The Township of Roscommon is a general law township of the State of Michigan, located in Roscommon County, Michigan. The Township of Roscommon operates under an elected Board and provides services to its residents in many areas including law enforcement, community enrichment, and human services. The criteria for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public service and special financing relationships. On this basis, the financial statements include all of the governmental functions of Roscommon Township.

Included in Roscommon Township's financial statements are the activities of the Houghton Lake Sewer Authority, the Houghton Lake Building Agency, and the Houghton Lake Ambulance Service, described as follows:

HOUGHTON LAKE SEWER AUTHORITY

The Townships of Roscommon, Denton and Lake (Roscommon County) formed the Houghton Lake Sewer Authority in 1973 for the purpose of operating, maintaining, administering and managing a sanitary sewage facility for the benefit of the aforementioned three townships and for any other township municipality which hereafter joins in and becomes a part of such sewer and the related agreement all for the betterment of the health, safety, economy and general welfare of the participating municipalities. The authority is audited and submitted under separate cover (as a joint venture). The Sewer Authority's activities (Roscommon Township's share) are recorded in the Sewer Fund.

Pursuant to the formation of the Authority, the Roscommon County Department of the Public Works issued \$2,420,000 of bonds, whereupon each township assumed the responsibility of reimbursing the County for their respective share of the total bonds issued. These bonds have been fully retired. Denton and Lake Townships subsequently issued additional bonded debt to finance additions to the system, which are still outstanding.

Ownership of the public sanitary sewer system will remain with the Roscommon County Department of Public Works until all outstanding bonds issued by said department of the County of Roscommon (pertaining to the system) have been retired. Thereafter, all portions of the system shall become the property of the respective municipalities. The system is to be operated for the benefit of said participating municipalities both jointly and severally.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE A: ENTITY (CONTINUED)

HOUGHTON LAKE BUILDING AGENCY

The Houghton Lake Building Agency operates in several Townships. Roscommon Township's portion of the Agency's activities are recorded in the General Fund.

HOUGHTON LAKE AMBULANCE SERVICE

The Townships of Lake and Roscommon have made an agreement to provide ambulance service to their respective residents through the operation of a joint ambulance service. The service is governed by a separate board, consisting of four persons, one Township board member and one resident from each Township. The receipts for ambulance runs made in each Township are retained by the Ambulance Service along with the quarterly Township contributions. Any surplus monies shall be added to the Ambulance Service's fund balance. Roscommon Township has been designated as the oversight unit. The activities are reported as a special revenue fund. The Ambulance Service is audited and submitted under separate cover.

The audit reports are available at the Roscommon Township office.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Roscommon Township are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures of the Township's financial activities for the year.

The accounting policies of Roscommon Township conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, Roscommon Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTRODUCTION (CONTINUED)

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Township as a whole, excluding fiduciary activities such as tax collection activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund – This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state grants, interest, and other intergovernmental revenues.

Ambulance Fund – This fund is used to account for the property tax collections for ambulance services and the payment to the Houghton Lake Ambulance Service.

Houghton Lake Ambulance Service Fund – This fund is used to account for all activities of the Houghton Lake Ambulance Service. Revenues are derived from charges for services (charges to the Townships and to ambulance patients).

Fire Operating Fund – This fund is used to account for the financial activities of the fire department. Revenues are derived primarily from property taxes collected for fire protection services.

Fire Equipment – This fund is used to account for the purchase of fire equipment. Funding comes from an addition of fire equipment property tax levy.

Trash Collection Fund – This fund is used to account for all financial transactions related to the Trash Collection service provided by the Township. Revenues are derived from property tax assessments.

The Township reports, in total, the following non-major fund: Roads.

Enterprise Fund

The Township reports the following major enterprise fund:

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Roscommon Township maintains a Sewer fund in this category.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS (CONTINUED)

Fiduciary Fund

Fiduciary funds are used to account for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township maintains a tax collection fund in this category.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments. Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Governmental Fund Financial Statements (Continued)

The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Property Taxes

The property tax calendar is as follows:

Lien Date	December 31, 2002	
Levy Dates	July 1, 2003	(summer collection)
	December 1, 2003	(winter collection)
Due Dates	September 15, 2003	(summer collection)
	February 15, 2004	(winter collection)

The real property tax rolls were turned over to the County of Roscommon on March 1, 2004. Collection of personal property taxes remains the responsibility of the Township. Amounts collected after the due date are assessed interest and/or penalty provisions. A county revolving fund normally pays the balance of the Township's real property tax levy by May 31. The entire Township levy is recorded as revenue in the current year.

The tax rates for the year ended March 31, 2004, were as follows:

<u>PURPOSE</u>	<u>RATE/ASSESSED VALUATION</u>
General	1.3185 per \$1,000
Fire	1.8361 per \$1,000
Trash	Assessment
Ambulance	1.9141 per \$1,000
Road	.4944 per \$1,000

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Proprietary Fund Financial Statements

Operating income reported in proprietary fund financial includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements. The proprietary fund financial statements report using the full accrual method of accounting.

LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND DISCOUNTS/PREMIUMS

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary capital assets are also reported in the respective fund financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following ranges are proposed as guidelines in estimating useful lives for asset reporting:

Building improvements	25 – 40
Land improvements	10 – 20
Machinery & equipment	5 – 10
Vehicles	10 – 15

Land and construction in progress are not depreciated.

With respect to asset improvements, costs over \$1,000 should be capitalized if:

1. The estimated life of the asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased by more than 10%, or
4. Significantly changes the character of the asset, or
5. In the case of streets and roads, if the work done impacts the "base" structure.
6. Otherwise, the cost should be expensed as repair and maintenance.

BUDGETS

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Township for budgetary funds were adopted on a fund level. Budgets are normally formulated during January and February of each year and a budget hearing is held in March. The Board normally adopts the budget just prior to April 1. Amendments are made to the budgets when determined to be necessary throughout the year. The budgets presented are the final amended amounts. Budgets close on March 31st each year.

For the fiscal year ended March 31, 2004, the Township experienced no over expenditures.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE C: CASH AND INVESTMENTS

The Township of Roscommon uses a common banking account to pool cash funds and enhance investment earnings. The various funds equity at March 31, 2004, is as follows:

	<u>COMMON CHECKING</u>
General Fund	\$ 19,274
Trash Collection Fund	4,947
Fire Operating Fund	5,205
Fire Equipment Fund	1,191
Ambulance Fund	329
Road Fund	120
	<u>\$ 31,066</u>

Interfund borrowings are common and normally short term in nature. The investments are cashed if necessary to eliminate negative balances.

All cash deposits are maintained in financial institutions in the Houghton Lake, Michigan area. The Township's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the Township or by its agent in the Townships name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3 - Uncollateralized.

<u>FUND</u>	<u>BANK BALANCE</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
Pooled Checking	\$ 32,921	\$ 32,921	\$ -	\$ -	\$ 31,066
General MMF	398,680	20,000	-	378,680	398,448
Trash MMF	202,934	15,000	-	187,934	202,805
Fire Op. MMF	336,009	20,000	-	316,009	335,797
Fire Eq. MMF	65,239	15,000	-	50,239	65,197
Ambulance MMF	196,515	15,000	-	181,515	196,393
Roads MMF	87,841	15,000	-	172,841	87,786
Sewer	977,144	100,000	-	877,144	976,779
H.L. Ambulance	37,753	37,753	-	-	37,700
Petty Cash	-	-	-	-	150
Total	<u>\$ 2,335,036</u>	<u>\$ 370,674</u>	<u>\$ -</u>	<u>\$ 2,164,362</u>	<u>\$ 2,332,121</u>
Trust & Agency	<u>\$ 30,203</u>	<u>\$ 8,260</u>	<u>\$ -</u>	<u>\$ 21,946</u>	<u>\$ 30,029</u>

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE C: CASH AND INVESTMENTS (CONTINUED)

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's investments are as follows:

- (1) Insured or securities held by the Township or the Township's agent in the Township's name.
- (2) Uninsured with securities held by the counter party's trust department or its agent in the Township's name.
- (3) Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

Investments are stated at cost, which approximates fair market value. Investments consist of securities with original maturities in excess of 90 days. Balances at March 31, 2004, consist of the following:

	<u>1</u>	<u>CATEGORY 2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
Sewer Fund				
Certificates of deposit	\$ 136,828	\$ 112,099	\$ -	\$ 248,927
Treasury Bills	-	1,465,338	-	1,465,338
Total Investments	<u>\$ 136,828</u>	<u>\$ 1,577,437</u>	<u>\$ -</u>	<u>\$1,714,265</u>

Investing is performed in accordance with a Township investment policy, complying with state statutes.

NOTE D: ACCOUNTS RECEIVABLE

Accounts receivable at March 31, 2004 consists of the following:

Delinquent property taxes to be received from the County:

General	\$ 24,970
Fire Operating	22,836
Fire Equipment	8,106
Ambulance	32,256
Trash	31,778
Roads	8,331
	<u>\$ 128,277</u>

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE D: ACCOUNTS RECEIVABLE (CONTINUED)

Customer accounts receivable-Sewer Fund:	
Due from Houghton Lake Sewer Authority - Current	\$ 9,061
Delinquent balances turned over to County	14,101
Due from customers - Sewer Fund	
Current	78,928
30-90 days	15,224
Over 90 days	137
Total	<u>\$ 117,451</u>

Customer accounts are managed and collected by the Houghton Lake Sewer Authority. No allowance for doubtful accounts is required since delinquent accounts are added annually to the tax rolls and become liens on the property.

Customer accounts receivable-Houghton Lake Ambulance Fund:	
Houghton Lake Ambulance Fund receivable consist of unpaid fees for ambulance services net of allowance for doubtful accounts of \$35,639. Customer accounts are managed by the Houghton Lake Ambulance Service.	
	<u>\$ 45,000</u>

Interest receivable-Sewer Fund	<u>\$ 6,200</u>
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Sewer special assessments receivable:	
The Township has levied special assessments on new properties hooking into the sewer system based on front footage to finance additions and to maintain the system. Such assessments are collected over a 15-20 year period	
	<u>\$ 188,622</u>

NOTE E: INTERFUND RECEIVABLES AND PAYABLES

Amounts collected in the current tax collection fund had not been distributed at March 31, 2004, to the following funds:

General fund	\$ 7,182	
Sewer fund	<u>22,847</u>	
		<u>\$ 30,029</u>
Due to Fire Operating Fund from Fire Equipment	\$ 37,000	
Sewer Fund loan to General Fund for road improvements	<u>106,621</u>	
Total		<u>\$ 143,621</u>

Of the above totals, \$37,000 has been eliminated within the governmental activities on the Statement of Net Assets.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE F: CAPITAL ASSETS

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>		<u>CAPITAL ASSETS DEPRECIATED</u>					
	<u>Land</u>	<u>Construction In Progress</u>	<u>Buildings & Grounds</u>	<u>Vehicles</u>	<u>Machinery Equipment</u>	<u>Data Handling Equip</u>	<u>Totals</u>	
Governmental Activities								
Balance, April 1, 2003	\$ 586,410	\$ -	\$ 835,486	\$ 899,914	\$ 145,850	\$ 42,624	\$ 2,510,284	
Increases	-	-	4,817	105,955	2,755	8,391	121,918	
Decreases	-	-	-	(54,044)	-	-	(54,044)	
Balance, March 31, 2004	<u>586,410</u>	<u>-</u>	<u>840,303</u>	<u>951,825</u>	<u>148,605</u>	<u>51,015</u>	<u>2,587,158</u>	
Accumulated Depreciation								
Balance, April 1, 2003	-	-	54,427	301,013	53,281	12,030	420,751	
Increases	-	-	18,528	44,823	10,387	7,860	81,598	
Decreases	-	-	-	(54,044)	-	-	(54,044)	
Balance, March 31, 2004	<u>-</u>	<u>-</u>	<u>72,955</u>	<u>291,792</u>	<u>63,668</u>	<u>19,890</u>	<u>448,305</u>	
Governmental Activities Capital Assets, Net	<u>\$ 586,410</u>	<u>\$ -</u>	<u>\$ 767,348</u>	<u>\$ 660,033</u>	<u>\$ 84,937</u>	<u>\$ 31,125</u>	<u>\$ 2,129,853</u>	
Business-Type Activities								
Balance, April 1, 2003	\$ 11,126	\$ 126,664	\$ -	\$ -	\$ 4,494,793	\$ -	\$ 4,632,583	
Increases	-	-	-	-	-	-	-	
Decreases	-	-	-	-	-	-	-	
Balance, March 31, 2004	<u>11,126</u>	<u>126,664</u>	<u>-</u>	<u>-</u>	<u>4,494,793</u>	<u>-</u>	<u>4,632,583</u>	
Accumulated Depreciation								
Balance, April 1, 2003	\$ -	\$ -	\$ -	\$ -	\$ 1,385,421	\$ -	\$ 1,385,421	
Increases	-	-	-	-	60,972	-	60,972	
Decreases	-	-	-	-	-	-	-	
Balance, March 31, 2004	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,446,393</u>	<u>-</u>	<u>\$ 1,446,393</u>	
Business-Type Activities Capital Assets, Net	<u>\$ 11,126</u>	<u>\$ 126,664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,048,400</u>	<u>\$ -</u>	<u>\$ 3,186,190</u>	
Capital Assets, Net	<u>\$ 597,536</u>	<u>\$ 126,664</u>	<u>\$ 767,348</u>	<u>\$ 660,033</u>	<u>\$ 3,133,337</u>	<u>\$ 31,125</u>	<u>\$ 5,316,043</u>	

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Township Administration	\$ 4,516
Airport	2,483
Parks	2,628
Elections	1,150
Fire Protection	37,830
Cemetery	1,652
Transfer Station	2,665
Township Hall & Grounds	13,021
Ambulance Service	15,653
Total	<u>\$ 81,598</u>

Business-Type Activities

Sewer Utilities	<u>\$ 60,972</u>
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**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE F: CAPITAL ASSETS (CONTINUED)

Construction in progress consists of engineering costs for South Houghton Lake Forest Estates plat \$126,664.

NOTE G: LONG-TERM DEBT

The Township is obligated for the following debt instruments:

SEWER/ROAD IMPROVEMENT NOTE

In July 1992, the Sewer Fund loaned Roscommon Township \$300,000 for road improvements. The note is to be paid by the General Fund \$31,090 annually, the interest rate of 6.1% was amended effective April 8, 2003 to 3.18%. The balance of the note at March 31, 2004 is \$106,621, which is recorded as a due to/due from item in the Sewer fund and in the Statement of Net Assets.

FIRE TRUCK NOTE

In June 2001, Roscommon Township entered into an installment purchase contract with Bank One in order to purchase a fire truck and chassis in the amount of \$313,214. Bank One financed \$260,000 of this purchase, with the remaining balance paid for directly from the Township's Fire Equipment Fund. The note is due \$4,136 monthly, including interest at 4.57% through 2007. The balance of the note at March 31, 2004 is \$165,632.

BUILDING NOTE

In January 2002, Roscommon Township entered into an installment purchase contract in order to construct a new Township Hall. The balance of the contract at March 31, 2003 was \$10,491, which was fully retired in April 2003.

AMBULANCE NOTE

Houghton Lake Ambulance Service purchased an ambulance and refinanced a prior note with Bank One in October 1999. The original principal was \$72,000 and bears an interest rate of 5.08%. The note is due \$1,183 monthly. The balance at March 31, 2004 was \$27,486.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE G: LONG-TERM DEBT (CONTINUED)

The following is a summary of the debt outstanding of the Township as of March 31, 2004:

	Balance April 1 <u>2003</u>	<u>Issued</u>	<u>Retired</u>	Balance March 31 <u>2004</u>	Due Within <u>One Year</u>
Governmental Activities					
<i>Major Governmental Funds</i>					
Fire Truck Note	\$ 206,656	\$ -	\$ 41,024	\$ 165,632	\$ 41,980
Building Note	10,491	-	10,491	-	-
Ambulance Note	38,008	-	10,522	27,486	13,154
<i>Non-Major Governmental Fund</i>					
Road Note	130,611	-	23,990	106,621	27,699
Total	<u>\$ 385,766</u>	<u>\$ -</u>	<u>\$ 86,027</u>	<u>\$ 299,739</u>	<u>\$ 82,833</u>

The annual principal requirements for the years ending March 31, 2005 through maturity for all debts outstanding as of March 31, 2004 are as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Thereafter</u>	<u>TOTAL</u>
Sewer/Road Imp.	27,699	28,580	29,489	20,853	-	106,621
Fire Truck Note	41,980	43,899	45,905	33,848	-	165,632
Ambulance Note	13,154	14,332	-	-	-	27,486

The Township is in compliance with all material note provisions at March 31, 2004.

ACCRUED INTEREST

GASB Statement No. 34 requires interest to be accrued for the long-term debt of governmental activities for the government-wide financial statements, which amounted to \$2,548.

Enterprise funds (sewer) have always recorded accrued interest, as they are governed by FASB guidelines.

NOTE H: FUND BALANCE / NET ASSETS

DESIGNATED FUND BALANCE

The designated fund balance is made up of the following component:

Cemetery Perpetual Care	<u>\$ 23,120</u>
Reserved Fund Balance is comprised of:	
Ambulance Inventory	<u>\$ 2,500</u>

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE H: FUND BALANCE / NET ASSETS (CONTINUED)

RESTRICTED NET ASSETS

Net assets have been restricted as noted in the Statement of Net Assets according to the purpose for which the respective revenues were generated.

CALCULATION OF BEGINNING NET ASSETS

The Township adopted GASB Statement No. 34 effective April 1, 2003. The following represents the reconciliation of the Townships fund balance as of April 1, 2003, to its beginning net assets balance, as presented in the statement of Activities, for the year ended March 31, 2004:

Total Fund Balance, Governmental Funds, April 1, 2003	\$ 1,336,310
Record capital assets	2,456,240
Record accumulated depreciation	(366,707)
Record long-term debt and accrued interest	(391,778)
Beginning Net Assets, Governmental Funds, April 1, 2003	<u>\$ 3,034,065</u>

NOTE I: OPERATING LEASE

The Township is obligated under a 48 month operating lease dated November 15, 2000 for a Xerox copier requiring payments of \$76 per month plus per copy charges.

NOTE J: PENSION PLAN

The Township of Roscommon contributes to a pension plan which is a defined contribution pension plan administered by the Manufactures Life Insurance company.

A defined contribution pension plan provides pension benefits in return for service rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under the Township's defined contribution pension plan, the benefits a participant will receive depends on the amount contributed to the participant's account and the returns earned on investments of those contributions.

Upon the completion of 1 year of service, all full-time and permanent part-time employees between the ages of 21-70 are eligible to participate in the plan. Contributions made by the Township and employees vest immediately. The participant will receive benefits upon termination of employment with the Township.

**TOWNSHIP OF ROSCOMMON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004**

NOTE J: PENSION PLAN (CONTINUED)

The plan requires the Township to contribute 10% of the eligible employees wages. Additionally, each participant contributes 10% of their salary. During the year the Township contributed \$9,224 to the plan, which was the amount necessary to meet the township's current year obligation.

No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

NOTE K: SUBSEQUENT EVENTS

The Sewer Fund/General Fund note was refinanced, lowering the interest rate from 6.1% to 3.18%.

Effective April 1, 2004, the Houghton Lake Ambulance Service has incorporated as an Authority and will be called the Houghton Lake Ambulance Authority (d.b.a. Houghton Lake EMS). The Authority will have the power to levy its own taxes within Lake and Roscommon Townships and will have its own five-member board.

NOTE L: INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters. The Township participated in the Michigan Township Participating Plan, a self-insured group. The pool is considered a public entity risk pool. The Township pays annual premiums to the pool for the respective insurance coverage.

In the event a pool's total claims and expense for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance. The Township has not been informed of any special assessments being required. There were no significant changes in coverage, nor were there any significant claims for the year. The Township carries commercial insurance for other potential losses, including employee health and accident insurance.

NOTE M: COMMITMENT

In November 2002, the Township entered into a 5-year contract commencing April 1, 2003 and ending March 31, 2008 with Waste Management of Michigan, Inc. for trash collection services. The monthly fee for services is approximately \$13,420 for the first year and may increase from 3-5% in subsequent years.

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 145,900	\$ 145,900	\$ 158,161	\$ 12,261
State Shared Revenues:				
Sales, Income and SBT Taxes	300,000	300,000	322,945	22,945
State Swamp Tax	41,000	41,000	45,782	4,782
State Liquor Tax	6,000	6,000	6,872	872
Total State Shared Revenues	347,000	347,000	375,599	28,599
Charges for Services:				
Property Tax Administration Fee	34,000	34,000	35,702	1,702
Administration - Fire Operating	2,000	2,000	2,000	-
Administration - Sewer Fund	1,000	1,000	1,000	-
School Tax Collection Fees	11,739	11,739	11,748	9
Other	600	600	1,181	581
Total Charges for Services	49,339	49,339	51,631	2,292
Licenses and Permits:				
Zoning Permits	4,540	4,540	6,450	1,910
Cemetery Lots	2,000	2,000	4,830	2,830
Agency Revenue	83,001	83,001	58,568	(24,433)
Dog License	100	100	-	(100)
Total Licenses and Permits	89,641	89,641	69,848	(19,793)
Interest Income:				
Interest on Investments	3,500	3,500	4,590	1,090
Other Income:				
Refunds and Reimbursements	1,500	1,500	10,365	8,865
Miscellaneous Income	500	500	2,125	1,625
Miscellaneous - Cemetery	6,500	6,500	300	(6,200)
Miscellaneous - Airport	500	500	2,610	2,110
Sale of Asset	-	-	-	-
Total Other Income	9,000	9,000	15,400	6,400
Total Revenues	644,380	644,380	675,229	30,849

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
EXPENDITURES				
GENERAL GOVERNMENT				
Township Board:				
Salaries	7,106	7,106	6,899	207
Fringe Benefits	12,500	12,500	11,596	904
MESC	4,500	4,500	4,916	(416)
Cancer, Life and Health Insurance	50,050	50,050	43,162	6,888
Office Supplies	4,500	4,500	3,346	1,154
Rug rental	7,438	7,438	6,357	1,081
Secretary	19,300	19,300	17,595	1,705
Audit	2,700	2,700	2,675	25
Legal Fees	9,000	9,000	9,182	(182)
Advertising	2,000	2,000	1,146	854
Dues and Membership	2,800	2,800	2,739	61
Education and Training	2,000	2,000	1,086	914
Travel	1,300	1,300	888	412
Retirement	11,000	11,000	6,511	4,489
Postage	3,500	3,500	3,565	(65)
Insurance - Liability	6,100	6,100	6,344	(244)
Miscellaneous	17,384	4,393	1,444	2,949
Office Equipment and Repair	7,000	7,000	13,380	(6,380)
Total Township Board	170,178	157,187	142,831	14,356
Supervisor:				
Salaries	22,328	22,328	22,328	-
Travel	400	400	154	246
Total Supervisor	22,728	22,728	22,482	246
Election:				
Wages	2,000	2,000	-	2,000
Office Supplies	1,000	1,000	40	960
Travel	500	500	-	500
Equipment	500	500	-	500
Miscellaneous	1,000	1,000	67	933
Total Election	5,000	5,000	107	4,893
Assessor:				
Salaries	41,840	41,840	41,840	-
Equilization Charges	4,400	4,400	4,236	164
Office Supplies	3,000	3,000	1,005	1,995
Postage	1,800	1,800	1,728	72
Technical Support	1,200	1,200	817	383
Education and Training	450	450	-	450
Miscellaneous	100	100	554	(454)
Total Assessor	52,790	52,790	50,180	2,610

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
GENERAL GOVERNMENT (CONT.)				
Clerk:				
Wages	21,517	21,517	21,517	-
Deputy	16,398	16,398	16,398	-
Travel	400	400	316	84
Technical Support	525	525	452	73
Equipment	2,000	2,000	78	1,922
Total Clerk	40,840	40,840	38,761	2,079
Board of Review:				
Salaries	1,500	1,500	900	600
Advertising	135	135	50	85
Education and Training	200	200	270	(70)
Travel	50	50	44	6
Office Supplies	100	100	-	100
Total Board of Review	1,985	1,985	1,264	721
Treasurer:				
Salaries	17,276	17,276	17,276	-
Deputy Treasurer Wages	7,190	7,190	7,282	(92)
Administration - Sewer	1,500	1,500	1,000	500
Equipment	1,000	1,000	201	799
Technical Support	-	-	1,339	(1,339)
Total Treasurer	26,966	26,966	27,098	(132)
Summer Tax Collection:				
Summer Tax Treasurer Salary	4,052	4,052	4,052	-
Social Security	753	753	753	-
Accountant Wages	811	811	811	-
Clerical Wages	3,241	3,241	3,241	-
Tax Roll Prep	3,200	3,200	2,824	376
Travel	100	100	124	(24)
Retirement	985	985	985	-
Postage	1,907	1,907	1,265	642
Total Summer Tax Collection	15,049	15,049	14,055	994

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
GENERAL GOVERNMENT (CONT.)				
Township Hall:				
Custodial Supplies	1,500	1,500	1,335	165
Repair and Maintenance	7,320	7,320	3,982	3,338
Mowing and Plowing	2,500	2,500	1,460	1,040
Telephone	4,100	4,100	2,562	1,538
Heat	3,500	3,500	1,822	1,678
Sewer Usage	576	576	576	-
Electricity	4,500	4,500	4,542	(42)
Miscellaneous	4,650	4,650	3,876	774
Building Additions and Improvements	5,000	5,000	759	4,241
Township Hall	-	10,491	-	10,491
Total Township Hall	33,646	44,137	20,914	23,223
Total General Government	369,182	366,682	317,692	48,990
PUBLIC SAFETY				
Ordinance Officer:				
Wages	13,341	13,341	13,341	-
Supplies	500	2,710	1,110	1,600
Travel	500	790	697	93
Total Ordinance Officer	14,341	16,841	15,148	1,693
Cemetery:				
Wages	14,796	14,796	8,910	5,886
Electricity	400	400	536	(136)
Repairs and Improvements	9,000	9,000	3,680	5,320
Snowplowing	1,200	1,200	900	300
Miscellaneous	2,750	2,750	1,297	1,453
Total Cemetery	28,146	28,146	15,323	12,823
Building Agency	83,001	83,001	58,568	24,433
Zoning:				
Wages	17,337	17,337	17,257	80
Legal Fees	3,000	3,000	4,223	(1,223)
Advertising	2,500	2,500	1,160	1,340
Education and Training	1,000	1,000	374	626
Travel	700	700	653	47
Postage	6,500	1,683	652	1,031
Total Zoning	31,037	26,220	24,319	1,901
Total Public Safety	156,525	154,208	113,358	40,850

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
AIRPORT				
Airport Manager	600	600	600	-
Insurance - Airport Liability	2,000	2,000	1,960	40
Telephone	-	-	-	-
Heat	600	600	393	207
Electric	600	600	690	(90)
Sewer Usage	144	144	144	-
Improvements	2,500	7,317	5,322	1,995
Equipment	1,000	1,000	-	1,000
Maintenance	1,600	1,600	773	827
Total Airport	9,044	13,861	9,882	3,979
RECREATION				
Wages - Park	6,438	6,438	6,718	(280)
Improvements	9,500	9,500	1,996	7,504
Equipment Repair and Maintenance	1,000	1,000	287	713
Utilities	2,400	2,400	2,171	229
Travel	2,000	2,000	943	1,057
Milfoil Assessment	25,000	5,000	-	5,000
Miscellaneous	4,100	4,100	2,055	2,045
Total Recreation	50,438	30,438	14,170	16,268
DEBT SERVICE PAYMENTS	31,091	31,091	41,581	(10,490)
ROADS				
Street Lights	28,000	28,000	26,697	1,303
Maintenance	100	100	300	(200)
Total Roads	28,100	28,100	26,997	1,103
Total Expenditures	644,380	624,380	523,680	100,700
Excess (Deficiency) of Revenues over Expenditures	-	20,000	151,549	131,549
OTHER FINANCING USES				
Operating Transfers Out	-	(20,000)	(20,000)	-
Excess (Deficiency) of Revenues over Expenditures and Other Uses	-	-	131,549	131,549
Fund Balance - April 1	306,970	306,970	306,970	-
Fund Balance - March 31	<u>\$ 306,970</u>	<u>\$ 306,970</u>	<u>\$ 438,519</u>	<u>\$ 131,549</u>

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMBULANCE FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 211,756	\$ 211,756	\$ 227,417	\$ 15,661
Ambulance Collection	264,000	264,000	-	(264,000)
Interest Income	-	-	701	701
Total Revenues	475,756	475,756	228,118	(247,638)
EXPENDITURES				
Capital Outlay - Ambulance Purchase	53,220	106,198	105,955	243
Repairs, Maintenance, and Other	1,200	13,984	1,431	12,553
Total Expenditures	54,420	120,182	107,386	12,796
Excess (Deficiency) of Revenues over Expenditures	421,336	355,574	120,732	234,842
OTHER FINANCING SOURCES/(USES)				
Operating Transfers In	-	-	20,000	20,000
Operating Transfer to Houghton Lake Ambulance Service	(439,176)	(479,176)	(125,370)	353,806
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(17,840)	(123,602)	15,362	138,964
Fund Balance - April 1	213,616	213,616	213,616	-
Fund Balance - March 31	\$ 195,776	\$ 90,014	\$ 228,978	\$ 138,964

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUGHTON LAKE AMBULANCE FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Charges for Services	\$ 324,231	\$ 330,584	\$ 276,897	\$ (53,687)
Contributions from Other Governments	107,242	107,242	107,242	-
Donations	-	-	7,353	7,353
Other	-	-	113	113
Total Revenues	431,473	437,826	391,605	(46,221)
EXPENDITURES				
Wages and Fringe Benefits	461,318	469,925	463,591	6,334
Supplies and Repairs	25,700	28,455	28,434	21
Debt Service	14,195	14,195	13,011	1,184
Professional Services	3,000	3,000	2,400	600
Telephone	3,500	3,500	3,560	(60)
Education and Training	4,000	4,000	4,291	(291)
Travel	1,000	1,000	1,127	(127)
Postage	550	550	507	43
Insurance	9,500	9,500	8,792	708
Fuel	7,000	7,000	5,560	1,440
Utilities	6,644	6,644	5,782	862
Rent	7,200	7,200	7,200	-
Miscellaneous	13,236	8,227	4,826	3,401
Total Expenditures	556,843	563,196	549,081	14,115
Excess (Deficiency) of Revenues over Expenditures	(125,370)	(125,370)	(157,476)	(32,106)
OTHER FINANCING SOURCES				
Operating Transfer In	125,370	125,370	125,370	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	-	-	(32,106)	(32,106)
Fund Balance - April 1	117,306	117,306	117,306	-
Fund Balance - March 31	\$ 117,306	\$ 117,306	\$ 85,200	\$ (32,106)

See accompanying notes to financial statements.

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE OPERATING FUND
MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 149,915	\$ 149,915	\$ 161,036	\$ 11,121
Interest Income	500	500	2,179	1,679
Other	-	-	3,253	3,253
Total Revenues	150,415	150,415	166,468	16,053
EXPENDITURES				
Wages	65,000	65,000	62,403	2,597
Fringe Benefits	15,972	15,972	10,642	5,330
Supplies	7,500	7,500	1,809	5,691
Equipment Maintenance	10,000	10,000	13,401	(3,401)
Building Maintenance	6,500	6,500	3,328	3,172
Administration Fee to General Fund	2,000	2,000	2,000	-
Audit	1,200	1,200	1,000	200
Technical Support	600	600	-	600
Dues and Memberships	600	600	520	80
Education and Training	5,000	5,000	3,603	1,397
Travel Expense	2,000	2,000	1,481	519
Insurance - Liability	7,000	7,000	8,699	(1,699)
Insurance - Workers Comp	1,500	1,500	2,858	(1,358)
Utilities and Communications	8,038	8,038	5,956	2,082
Equipment	118,500	118,500	17,503	100,997
Miscellaneous	99,497	99,497	615	98,882
Total Expenditures	350,907	350,907	135,818	215,089
Excess (Deficiency) of Revenues over Expenditures	(200,492)	(200,492)	30,650	231,142
Fund Balance - April 1	370,188	370,188	370,188	-
Fund Balance - March 31	\$ 169,696	\$ 169,696	\$ 400,838	\$ (231,142)

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE EQUIPMENT FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 53,220	\$ 53,220	\$ 57,157	\$ 3,937
Interest Income	-	-	438	438
Total Revenues	53,220	53,220	57,595	4,375
EXPENDITURES				
Fire Equipment	19,223	19,223	1,471	17,752
Payment of Debt Service	49,640	49,640	41,025	8,615
Interest on Long-Term Debt	-	-	8,603	(8,603)
Total Expenditures	68,863	68,863	51,099	17,764
Excess (Deficiency) of Revenues over Expenditures	(15,643)	(15,643)	6,496	22,139
Fund Balance - April 1	30,998	30,998	30,998	-
Fund Balance - March 31	\$ 15,355	\$ 15,355	\$ 37,494	\$ 22,139

**TOWNSHIP OF ROSCOMMON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRASH FUND
YEAR ENDED MARCH 31, 2004**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Taxes and Assessments	\$ 168,505	\$ 168,505	\$ 184,459	\$ 15,954
Interest Income	200	200	1,149	949
Other	1,500	1,500	2,616	1,116
Total Revenues	170,205	170,205	188,224	18,019
EXPENDITURES				
Wages	11,394	11,394	8,526	2,868
Fringe Benefits	872	872	647	225
Hazardous Waste Pickup	1,000	1,000	2,520	(1,520)
Equipment Maintenance	2,500	2,500	1,004	1,496
Repairs and Maintenance	1,250	1,250	-	1,250
Utilities and Communications	2,050	2,050	719	1,331
Insurance - Liability	1,000	1,000	1,000	-
Insurance - Workers Comp	600	600	469	131
Trash Fund Service	162,972	162,972	163,783	(811)
Equipment	1,500	1,500	-	1,500
Miscellaneous	45,067	45,067	904	44,163
Total Expenditures	230,205	230,205	179,572	50,633
Excess (Deficiency) of Revenues over Expenditures	(60,000)	(60,000)	8,652	68,652
Fund Balance - April 1	230,878	230,878	230,878	-
Fund Balance - March 31	\$ 170,878	\$ 170,878	\$ 239,530	\$ 68,652